

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2694
ANSWERED ON:17.03.2006
CREDIT FACILITIES TO WOMEN WEAVERS
Jha Shri Raghunath

Will the Minister of FINANCE be pleased to state:

the measures taken to provide credit facilities to women weavers at concessional interest rates to help them to improve their working conditions?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

The lending rate of banks are governed by the directives on interest rates issued by the Reserve Bank of India (RBI) from time to time.

As per the extant instructions, interest on loans upto Rs.2 Lakh, should not exceed the Prime Lending Rate (PLR) of the lending bank. Beyond Rs.2 Lakh, banks are free to charge interest within the maximum spread over PLR as fixed by them. The requirement of PLR being the floor rate for loans above Rs.2 Lakh has also been relaxed and the banks are allowed to offer loans at below PLR rates on the basis of a transparent and objective policy approved by their Boards.

NABARD provides concessional refinance to State Cooperative Banks (SCBs) for providing Short Term Credit Limits for financing the working capital requirements of primary / apex / regional / weavers' Cooperative Societies as well as the individual weavers and self employed weavers' groups.